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FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC PRIORITY 0786
INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY
RUCNCIS/CIS COLLECTIVE PRIORITY
RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY
RUEHAD/AMEMBASSY ABU DHABI PRIORITY 0324
RUEHAK/AMEMBASSY ANKARA PRIORITY 3759
RUEHBJ/AMEMBASSY BEIJING PRIORITY 1577
RUEHKL/AMEMBASSY KUALA LUMPUR PRIORITY 0125
RUEHUL/AMEMBASSY SEOUL PRIORITY 0030
RUEHKO/AMEMBASSY TOKYO PRIORITY 1444
RUEHIT/AMCONSUL ISTANBUL PRIORITY 2013
RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY

C O N F I D E N T I A L ASHGABAT 000605

SIPDIS

STATE FOR SCA/CEN, EEB
PLEASE PASS TO USTDA DAN STEIN
ENERGY FOR EKIMOFF/THOMPSON
COMMERCE FOR HUEPER

E.O. 12958: DECL: 05/12/2018
TAGS: [PGOV](#) [ECON](#) [EPET](#) [TX](#)
SUBJECT: TURKMENISTAN: A FRUSTRATED MIDLAND CONTINUES TO
WAIT FOR A CONTRACT

REF: ASHGABAT 0278

Classified By: CDA Richard E. Hoagland: 1.4(B), (D).

11. (C) Murad Sariyev, a former U.S. UGRAD exchange student who now works as an interpreter for Midland Oil and Gas, told EmbOff May 7 that his new employers continue to wait -- with no results yet -- for a contract to do business in Turkmenistan. (NOTE: Midland Chairman Robert Murphy told Charge in late February -- see reftel -- that Midland hoped to see movement on three potential sectoral projects. END NOTE.) Sariyev said nothing about Midland's efforts to get a production sharing agreement (PSA) for an off-shore Caspian block. He indicated, however, that Midland submitted a bid in mid-April to perform drilling intensification and improvement of existing wells south of Balkanabat (previously Nebitdag) and is hopeful it will receive a service contract. When Midland and its Korean partners called on the former Minister of Communications to discuss a bid on a national high-speed wireless Internet system, the minister gave them the cold shoulder, stating that Turkmenistan does not need or want foreign-company involvement in the IT sector. Two weeks later, the minister had been fired for incompetence by President Berdimuhamedov. Midland is planning to bring its Korean partners back to Turkmenistan for a meeting with the new minister in hopes that he will be more amenable to a contract than his predecessor.

12. (C) In the meantime, the company's Executive Vice President of Development, Richard Visovsky, is working on registering Midland and opening a new office in the Mir neighborhood of Ashgabat. With President Berdimuhamedov's attention now focused on other issues, however, the company in general is finding that bureaucratic hassles are increasing. In contrast, immediately following its feel-good meeting with the president, everything seemed to proceed more smoothly. Most recently, the company has run into problems getting a letter of invitation for its accountant,

who needs to be here to pay for the renovation of the office space.

13. (C) COMMENT: Midland's experience in Turkmenistan is not unique. Although the government is very slowly beginning to roll out revamped new legislation -- including legislation that is supposed to help improve the business climate -- a significant gap remains between Western-style business practices and the attitudes and actions in Turkmenistan. The toughest part of promoting an improved investment climate will be in changing the attitudes of those responsible for implementing reform. END COMMENT.
HOAGLAND